

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Public Services – Treasuries and Accounts Department – Pension Payment Offices, Hyderabad – Fraudulent drawal of pensions by Sri Md.Ashfaq, formerly private receipt writer O/o APPO, Chandrayanagutta and Md. Ibrahim Khaleel, Controller, APSRTC, Barkatpura to a tune of Rs.20.00 lakhs – Departmental Proceedings initiated against Retired Officers/in Service Officers of PPO Unit of Treasuries and Accounts Department – Disciplinary action against Sri J.V.Pentaiah, Assistant Accounts Officer (Retd.) – Imposition of punishment of withholding of Rs.36,000/- from his Gratuity (DCRG) under Rule 9 of A.P. Revised Pension Rules, 1980 – Orders – Issued.

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### FINANCE (ADMN.I.VIG.) DEPARTMENT

**G.O.Rt.No. 3340**

**Dated:21-07-2010**

**Read the following:-**

1. DTA Lr.No.K5/22856/2001, dt. 17-6-2003.
2. Govt. D.O.Lr.No.13365-A/42/Admn.I.Vig/2003, dt. 21-10-2003.
3. DTA Charge Memo.No. K5/22856/2001-1, dt. 14-02-2004.  
issued to Sri J.V.Pentaiah, Assistant Accounts Officer, (now retired).
4. Defence Statement of Sri J.V.Pentaiah, Assistant Accounts Officer (Retd.) dt. 25-07-2006.
5. APAT Order dt. 29-04-2008 in O.A.No.1431/2008  
filed by Sri J.V.Pentaiah, Assistant Accounts Officer, (Retd.)
6. G.O.Ms.No.455, Finance (Admn.I.Vig) Department, dated 26-11-2008.
7. A.P.High Court orders dated 04-06-2009 in W.P.25481/2008.
8. Enquiry Report of Sri Janak Raj, Commissioner of Inquiries dt.05-11-2009.
9. Govt. Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dated 17-11-2009.
10. Explanation of Sri J.V.Pentaiah, Assistant Accounts Officer, (Retd.),  
dt.19-12-2009.
11. Govt. Memo.No.13365-A/42/A2/Admn.I.Vig/2003, dated 06-04-2010.
12. DTA Lr.No.K (II)8/22856/2001,dt:19-04-2010 along with Explanation of  
Sri J.V.Pentaiah, Assistant Accounts Officer, (Retd.), dt.15-04-2010.
13. Govt. Letter No. 13365-A/42/Admn.I.Vig/2003, dated 01-05-2010  
addressed to Secretary, APPSC
14. Secretary, APPSC Lr.No.704/RT-I/3/2010, dated 18-06-2010.

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### ORDER:

The Director of Treasuries and Accounts, in the reference 1<sup>st</sup> read above, reported that a case of fraudulent drawals took place in the offices of Assistant Pension Payment Officers, Chandrayangutta, Motigally, Nampally, Punjagutta and Narayanaguda. This came to light when the Banjara Hills Police have nabbed two culprits – Sri Md.Ashfaq and Sri Ibrahim Khaleel. The preliminary reports indicated that the said Sri Mohd Ashfaq, who worked earlier as pension receipt writer at the O/o the APPO, Chandrayanagutta made use of his knowledge of pension payment procedures and his contacts with the staff of the office of different APPOs and resorted to fraudulent drawls by adopting dubious means. The enquiries have revealed that the culprits used to make representations in the name of the deceased pensioners, and get the addresses changed and change the bank of the pensioners and drew the amounts fraudulently. The Police investigations revealed that the culprits have resorted to this fraud in about 30 cases. On the request of the police the probable amounts of those fraudulent drawals has been estimated to be Rs.20,54,000/-. A criminal case in this matter has been registered in the Banjara Hills Police Station and it is under investigation. On detection of this fraud, the department undertook a detailed verification of those 30 Pension Payment Orders and found that the Assistant Pension Payment Officers have allowed the change of bank merely based on the option form or a representation received in the name of the pensioner and credited the pension to the new bank account without following the prescribed procedure. The descriptive rolls were changed by affixing the photographs of the fake pensioners. The Assistant Pension Payment Officers concerned have failed to keep

records in the safe-custody and thereby given scope for the culprits and those who were in connivance with them to have easy access and commit the fraud. The Charged Officers failed to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms. No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time and thus, they have not only given scope for these fraudulent drawals but also helped the culprits to continuously draw them over a period of time. They have not followed appropriate procedure in obtaining the life-certificates, descriptive rolls and in filing them in the files concerned. These failures have paved way for the culprits to tamper with records of the office and resort to fraudulent drawals.

2. Departmental Proceedings were initiated against Sri J.V.Pentaiah, Assistant Accounts Officer (Retired), along with others of PPO Unit of Treasuries and Accounts Department who were allegedly responsible for the irregularities and for their failure to follow the procedure prescribed in SRs.64 to 87 under TR.16 of A.P.Treasury Code. Vol-I and the procedure prescribed in G.O.Ms No.213, Finance & Planning (FW PSC) Department, dated.19-12-1997 and instructions issued thereon from time to time. The following Article of Charge has been framed against Sri J.V.Pentaiah, the then Junior Accounts Officer, O/o APPO, Nampally, now AAO, (Retd.) vide DTA Charge Memo K5/22856/2001-1, dt.14-02-2004.

***Sri J.V.Pentaiah, AAO(Retd), while working as Junior Accounts Officer, O/o APPO, Chandrayangutta and Malakpet Branch and as APPO, Nampally during the period from July 1998 to December 1998 has failed to follow the procedure prescribed in A.P.Treasury Code and Instructions issued thereon from time to time in making pension disbursements in respect of certain Pension Payment Orders and thereby given scope for drawls and was responsible for a loss of Rs.15,810/- (fifteen thousand eight hundred and ten only) to the exchequer.***

***Thus, Sri J.V.Pentaiah, AAO (Retd), while working as Junior Accounts Officer, O/o Assistant Pension Payment Officer ,Nampally by the above mentioned acts has exhibited lack of integrity devotion to duty and conduct unbecoming of a Government Servant and thereby contravened Rule 3 (1) & (2) of A.P. Civil Service (Conduct) Rules, 1964.***

3. In his defence statement, while denying the article of charge framed against him he has requested to drop the charge on the following grounds:

i. PPO bearing No.35794 CP in respect of Smt. Fatima Bee W/o.(L) Shri Abdul Jaleel is a Xerox copy of renewed one. It is more or less Original, PPO (when the original PPO was in torned condition). The pension payment to her was originally made at APPO, C-Gutta by cash. As per G.O.Ms.No.213, all the cash payment was converted to bank. Accordingly she had submitted bank option form on 22-09-1998 to draw pension from Vasavi Co-operative Urban Bank Limited, Malakpet. As per jurisdiction of Bank to which she opted comes under the APPO, Malakpet office. On verification of the PPO, the following documents were found (1) ABCD Form of Smt. Fatima Bee which was attested by Senior Medical Officer, Govt. Nizamia General Hospital. The Life Certificate of her was signed by Shri Chandra Naik, JAO of JD, PPO, Hyderabad on 1-4-2000 an another L.C. of her was signed by Assistant Accountant Vasavi Bank, Malakpet on 7-11-2001. Basing on the above said documents the PPO No. 35794/CP is not a fraud and the monthly pension paid to her in routine on the strength of the documents available in PPO.

ii. In respect of Smt. Sugra Begum original PPO number was 11.C00286. Her PPO number was changed two times i.e. 06C001073 and 06C001858 respectively as per AG, AP, Hyderabad Lr.NO.PAI/Vii/rasi/3/20

of 06-01-1979. This original PPO was issued by AG, AP, Hyderabad who is the competent authority. This PPO was issued originally to APPO, Motigally for cash payment. She was also first verified by APPO on 4-11-1984 for first payment of pension. According the monthly pension started from APPO, Motigally. Her ABCD For was attested by Medical Officer Govt. Nizamia General Hospital Charminar. Under G.O.213, she was opted to Syndicate Bank, Bahadurpura to get her monthly pension. Her L.C. was signed by Bank Manager, GNBRK Prasad, Syndicate Bank, Bahadurpura on 11-11-2000 and other L.C. was signed by Syndicate Bank, Bahadurpura on 13-11-2001. Since this PPO was original one, the monthly pension paid to her was correct and there is no fraud payment.

**iii.** In respect of Yawarunnisa Begum issued by AG, AP, Hyderabad vide his Lr.No.PAI/I/90-91/6723 of 26-X-90 (pension payable at APPO Narayanaguda, she was first verified on 21-11-1990 by APPO then. Her ABCD form attested by the District Medical Officer, Medak. The Manager Charminar Co-operative Bank attested her L.C. on 15-11-1998 and the same Manager on other L.C. on 05-1-2000. Since the above PPO is original one her monthly pension for said period was made through the respective bank.

**iv.** In respect of Shri Mohd Ismail Ghorri on verification of the documents received by him along with charge memo it is found that PPO was renewed and attested by the PPO then. The original PPO was kept in the PPOs office then and the renewed PPO issued for payment to Shri Mohd Ismail Ghorri, h/o. PPO No.90583 on this PPO pension payments continued he has drawn pension under G.O.79 that is payment is made directly by bank (SBH, Masab Tank). Later in terms G.O.213 this PPO directly converted to the respective Bank for monthly pension payment. The pension payment was continued on the strength of the L.C. Signed by senior medical Officer. Govt. Nizamia, Tibbi, Hyderabad on 15-1-1999 (2) L.C. Certificate signed on 12-12-1997 by Chief Superintendent Unani Govt. Medicine Pharmacy, Hyderabad (Khatedhan) (3) LC is also signed by Chandra Naik, JAO, JD, PPO, Hyderabad.. This PPO is being original one and he felt that he has not paid monthly pension wrongly.

**v.** Regarding PPO No.06S008232 this original PPO No. was 02S0006972 and he has drawn pension at S.T. O. Kamareddy under D.T. O., Nizamabad. Later his PPO was transferred to Hyderabad and changed the PPO number as 06S008232 as per AG, AP, Hyderabad Lr.No.PAI/A4/217, dt. 12-7-1981. His PPO was transferred by CAO, PPO Hyderabad vide Lr.No.90721/AO/81, dt.20-10-1981 to APPO motigally for monthly pension. This correction as made duly attested on 10/81. he has drawn his pension from SBH, Ramnagar to SBH, Masab Tank vide application dt.15-7-1998. His pension was paid as requested under G.O.213. since it was original PO the pension payment for the months mentioned in the charge memo was made by her on routine.

**vi.** In respect of Zaibunnisa Begum, the PPO bearing No.3252/CP was renewed one and attested by PPO then. It in also can be called as original PPO. Her PPO was transferred by the CAO, PPO, Hyderabad vide his Lr.No.2287/B/CAO990 from 11-6-90 from APPO B & MO, Hyderabad to APPO, Nampally for payment through SBH, Masab Tank. Her pension also has been revised from Rs. 7.72 to Rs. 19.00 w.e.f. 1-4-1978 as per AG, AP, Hyderabad Lr.No.PAI/II/AO1683/88.89/1660, dt., 14-02-1989 the pension for the period mentioned charge memo was made by him as per routine.

**vii.** The PPO bearing No.06C00061 in respect of h/o. Smt. Raheemunnisa is a renewed one and which was attested by the APPO, C-Gutta on 27-8-1991 on the basis of the original PPO, which was in torned

condition. She was paid monthly pension from SBH, Masab Tank as per her option form. The L.C. was signed by Shri Imadull, Medical Officer Nizams General Hospital, Charminar, Hyderabad on the strength of the renewed PPO and Life certificate available, her pension for the months mentioned in charge memo was made to her through the bank in routine. Further he stated that, the period from 3/98 to 9/98 for Rs. 4134-50 towards pension paid to Smt.Zaibunnisa Begum from APPO, Nampally is not correct. Because he was transferred from APPO, Motigally on promotion as JAO to APPO, B & MO, Hyderabad vide DTA, Hyderabad Proogs.No.C2/844/98, dt. 15-4-1998 and joined on 16-4-1998. He signed towards monthly pension from 1-6-1998 to 28-9-1998 for 4 months and not from 3/98 onwards. **The fact is that almost all the PPOs are original and on the strength of Life Certificates available in the PPO the monthly pension to the pensioners were made by him in routine.** If these PPOs are fake or wrong then from the date of first commencement can be taken as wrong/fraud payment. Hence, he has requested to drop the charge framed against him.

4. The defence of the charged officer that he had paid pensions to bogus pensioners based on the life certificates is not at all tenable. It may not be possible to others, without collusion of the Charged Officers working in the APPO offices, to replace the photographs of the deceased pensioners pasted on the descriptive rolls with the photographs of the bogus pensioners. The defence of the Charged Officer is not satisfactory. The truth will come out only in a common inquiry of all the charged officers involved in the case. Since a common inquiry has to be ordered in this case to elicit the truth against all the 44 charged officers involved in this case, the disciplinary authority could not proceed with further action as majority of the Charged Officers did not submit their written statement of defence and insisted for certain original documents which were seized by the police and copies of certain documents.

5. In the mean while, Sri J.V.Pentaiah, Assistant Accounts Officer,(Retd.) has filed O.A.No.1431/2008 questioning the charge memo was disposed of by the APAT in terms of the orders passed in O.A.No.7131/2007,dt:13-02-2008. The said O.A.No.7131/2007 was disposed of by the Tribunal with the following directions: **“In view of the above circumstances, there shall not be any further delay in referring the matter to the Commissioner of Enquiries to proceed with the enquiry against all the officers concerned. Therefore, the respondents shall forthwith proceed with the appointment of the enquiry officer or refer the matter to the COI and the respondents shall conclude the disciplinary proceedings against the applicants herein within a period of six months from the date of receipt of these orders and pass final orders. If for any reason, the respondents are not concluding the disciplinary proceedings within the specified time, as far as the applicants are concerned, the disciplinary proceedings should be deemed to have been dropped. Accordingly, the O.As are disposed of.”**

6. As this is a case of large-scale misappropriation of public money, it was felt that the orders of the Hon'ble APAT were unjustified and against wider public interest. Further, as there was a criminal case pending in this case and if the departmental proceedings are treated as deemed to be dropped as per the order of APAT, it will be causing serious prejudice to the departmental proceedings and also detrimental to the criminal proceedings too. Aggrieved with the orders of Hon'ble APAT in O.A.1431/2008 dated 11-03-2008, a Writ Petition No. 25481/08 has been filed. The Hon'ble High Court, in their interim order dated 04-06-2009, pleased to grant interim suspension of the orders of APAT.

7. Hence, the Government has decided to conduct a regular common enquiry as per the procedure laid down under Rule 20 of A.P. Civil Services (CC&A) Rules 1991 read with Rule 9 of A.P. Revised Pension Rules, 1980.Government, in exercise of the powers conferred by Sub-rule (2) of Rule 20 of A.P. Civil Services (CC&A) Rules, 1991, appointed Sri Janak Raj, IPS (Retd.) Commissioner of Inquiries, Department as Inquiry Authority to inquire into the charges framed against the Charged Officer Sri J.V.Pentaiah, Assistant

Accounts Officer, (Retired) and in exercise of the powers conferred by Sub-Rule (5) of A.P. Civil Services (CC&A) Rules, 1991 appointed Sri Jagan Mohan Goud, Joint Director of Treasuries and Accounts O/o the Director General, Dr. MCR HRDI, Hyderabad as Presenting Officer.

8. The Hon'ble High Court while disposing the W.P.No.25481/2008 has ordered to segregate the case of Sri J.V.Pentaiah, AAO (Retd.) from other cases and complete the disciplinary proceedings within a period of six weeks from the date of receipt of a copy of the order. **Government have accordingly addressed the Sri Janak Raj, Commissioner of Inquires to segregate his case** and requested to complete the enquiry at the earliest and submit a report to the Government, to take further action in the matter. The DTA has filed petition for further extension of time to conclude the departmental proceedings against the Charged Officer.

9. **The Inquiry Authority, Sri Janak Raj, Commissioner of Inquires has furnished his report vide reference 8<sup>th</sup> read above.** In the Enquiry the charge framed against Sri J.V.Pentaiah, Assistant Accounts Officer, (Retired) has been proved. While furnishing a copy of the report of Enquiry Officer, a Show Cause Notice was issued to Sri J.V.Pentaiah, Assistant Accounts Officer, (Retd.) as to why a suitable punishment should not be imposed against him as the charge framed against has been proved in the inquiry vide reference 9<sup>th</sup> read above.

10. Sri J.V.Pentaiah, Assistant Accounts Officer, **(Retd.)** in his representation on the findings of the E.O. while reiterating the points mentioned in his statement of defence, has requested to drop further action against him.

11. *According to Rule 9 (1) A.P. Revised Pension Rules, 1980, "The Government reserves to themselves the right of withholding a pension or gratuity, either in full or in part, or withdrawing a pension in full or in part, whether permanently or for a specific period and of ordering recovery from a pension or gratuity of the whole or part of any pecuniary loss caused, to the Government and to the local authority if, in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service, including service rendered upon re-employment after retirement: Provided that the Andhra Pradesh Public Service Commission shall be consulted before any final orders are passed. Further, the Government will serve the person concerned with a show-cause notice specifying the action proposed to be taken under this rule and the person concerned will be required to submit his reply to the show-cause notice within such time as may be specified by the Government. The Government will consider the reply and consult the Andhra Pradesh Public Service Commission. If as a result of such consideration in consultation with the Commission, it is decided to pass an order under the rule, necessary orders will be issued in the name of the Government."*

12. Government after careful consideration of the material on record and findings of the Inquiry Authority and representation of the Charged Officer thereon, has provisionally decided to impose a punishment of withholding of Rs.2,000/- from his pension for a period of eighteen months and issued a Final Show Cause Notice to him vide reference 11<sup>th</sup> read above.

13. The Charged Officer, Sri J.V.Pentaiah, Assistant Accounts Officer, (Retd.) in his explanation dated 15-04-2010 has stated that the punishment as proposed by the Government i.e. to impose a punishment of withholding of Rs.2,000/- from his pension for a period of eighteen months against him will take long time as he is suffering with Kidney Problem. Therefore, he has requested to withhold the total amount of Rs.36,000/- from his DCRG and release his pensionary benefits at an early date.

14. Government, after careful consideration of the material on record i.e. Charge Memo., defence statement, finding of the Inquiry Authority, explanation of the Charged Officer to the Show Cause Notices found that the Charged Officer did not follow the provisions contained under Sub Rules 64-87 under Rule 16 of the A.P. Treasury Code and the instructions thereon issued by the Government in payment of pensions. The charged Officer has stated that he had followed the orders issued GOs 79 and 213. In the said GOs orders

were issued simplifying procedure in respect of payment of pensions. Pensions hitherto paid in cash at PPOs/Treasury Offices. This practice was changed and made the pensioners to opt the Bank which is nearer to them for receipt of pension through Banks. The other conditions remain unchanged. The Charged Officer is under the impression that consequent to the orders issued in the said GO's no checks need be effected as the orders issued are pending amendment to the respective codal provision. There is no such amendment in the orders issued. Hence, the respective codal provisions remain in force and needs to be followed. Due to non-exercise of checks fraudulent payment of pensions were occurred due to replacement of photos and other information in the descriptive rolls of pension payment orders with bogus photos and rolls. Mustering of pensioners would have identified such cases. In the G.O.79 and 213 orders have been issued for furnishing necessary certificates through banks, but the process of mustering will help pension disbursing officer to establish proof of pensioner existence. **The Charged Officer had totally failed to follow the procedure of payment pension stipulated under A.P. Treasury Code. Therefore, keeping in view of the orders of Hon'ble APAT and APHC and Rule 9(1) of A.P. Revised Pension Rules 1980 and the request of the individual, Government provisionally decided to impose a punishment of withholding of Rs.36,000/- from his DCRG on the Charged Officer Sri J.V.Pentaiah, Assistant Accounts Officer, (Retired) and addressed the Secretary, Andhra Pradesh Public Service Commission for according concurrence of the Commission with the proposed punishment against Sri J.V.Pentaiah, Assistant Accounts Officer, (Retired) and intimate the same to the Government immediately for taking further action so as to comply the APHC orders.**

15. The Secretary, A.P. Public Service Commission, Hyderabad in their letter 14<sup>th</sup> read above, have concurred with the proposal of the Government for imposition of a punishment of withholding Rs.36,000/- from the DCRG of the Charged Officer Sri J.V.Pentaiah, Assistant Accounts Officer, (Retired).

16. Government accordingly, hereby order for imposition of a punishment of withholding of Rs.36,000/- from the DCRG of the Charged Officer Sri J.V.Pentaiah, Assistant Accounts Officer, (Retired) under Rule 9 of A.P. Revised Pension Rules, 1980.

17. The Director of Treasuries and Accounts, Hyderabad shall take necessary further action in the matter accordingly.

18. The G.O. is available on Internet and can be accessed at the address <http://www.goir.ap.gov.in>.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**L.V.SUBRAHMANYAM  
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

To

The individual through Director of Treasuries and Accounts, AP, Hyderabad.

The Director of Treasuries and Accounts, AP, Hyderabad.

The Joint Director, PPO, Hyderabad.

Copy to:

The Secretary, A.P. Public Service Commission, AP, Hyderabad.

The Secretary, A.P. Vigilance Commission, A.P., Hyderabad.

SF/SC

**:: FORWARDED BY ORDER ::**

**SECTION OFFICER**